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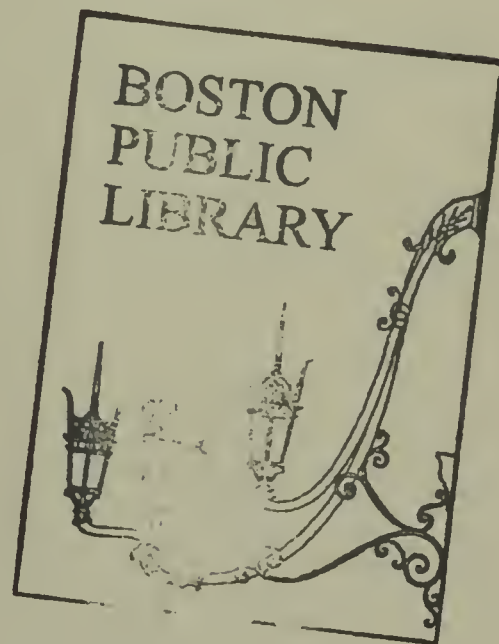
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BOSTON CEDS PLANNING PROCESS

302(a) Annual Report Fiscal Year 1980



City of Boston / Kevin H. White, Mayor
Boston Redevelopment Authority / Robert J. Ryan, Director
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BOSTON CEDS PLANNING PROCESS
302(a) Annual Report
October, 1979 - September, 1980

I. PLANNING PROCESS

A. Background

This year's 302(a) Planning Grant represents the second year of 302 funding to Boston. The CEDS Planning Process began in April, 1978, when Mayor Kevin White accepted EDA's invitation for the City of Boston to participate as a demonstration city in the CEDS Program. The preliminary CEDS document prepared by an inter-agency staff team coordinated by the Boston Redevelopment Authority, the City's planning agency, was completed in September, 1978. This submission was accompanied by a 302(a) grant offer from EDA designed to take the CEDS document, in the form of a process, through strategy refinement, a work program, and project development leading to implementation.

Despite the considerable time expended by the 302 staff during the first Planning Grant reorganizing the CEDS Committee to satisfy EDA's 7.06 requirements, which hindered progress with other elements of the CEDS planning process, the 302 staff was able to make substantial contributions to increased coordination of economic development-related programs, to move several priority programs and projects to the point of implementation, and to lay the groundwork for a continuing planning process. Due to the delay in meeting the 7.06 regulations, the reorganized CEDS Committee was not able to begin meeting until Summer, 1979 and did not complete its first evaluation and prioritization of the CEDS economic development projects until late October, 1979, slightly into the beginning of the 302(a) program for FY'80.



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B. Planning Process Evaluation

The second year of 302(a) funding has enabled Boston to significantly improve its CEDS planning process and the effectiveness in formulating the City's development program. Building on the structure begun in FY'79, this year saw enhanced coordination among the City agencies and decision-makers involved in economic development planning and implementation. Staff representatives from the three City agencies having primary economic development responsibilities (Boston Redevelopment Authority, Economic Development and Industrial Corp., Office of Federal Relations), convened regularly to oversee the continuing CEDS planning process, including reviewing staff work tasks, raising CEDS policy issues for consideration by the CEDS Committee, and coordinating process elements with other City departments.

Improved coordination mechanisms were established for more direct, continuing linkage between the CEDS planning process and other concurrent planning processes at the local, regional, and state levels.

At the local level, significant progress was achieved integrating manpower planning, air quality planning and the activities of neighborhood development organizations into the CEDS planning process. Better coordination with manpower planning was accomplished through the inter-agency efforts of the 302 staff to involve the Private Industry Council and the City's Employment and Economic Policy Administration in commercial and industrial development planning. The PIC Chairman was also invited by the Mayor to be a member of the CEDS Committee to reinforce the link between CEDS and manpower planning at the policy level.

Mechanisms were similarly devised and instituted to improve the coordination between CEDS and air quality planning. An executive level Steering Committee, of which the CEDS Co-Chairmen are members, was established to provide policy direction for Boston's demonstration Air Quality Technical Assistance grant designed to formulate a strategy for improving air quality while allowing continued industrial growth. Inter-agency staff teams comprised of 302 staff provided day-to-day assistance to this effort.

A most significant process element improvement was in the relationship between the City's development planning process and neighborhood development activities. A process was formulated and initiated to incorporate community development corporation projects into the CEDS planning process, with a mechanism for evaluating proposals, determining priorities, and providing technical assistance to facilitate the planning and implementation of priority projects. To further integrate neighborhood commercial area revitalization, CDC activities, and the CEDS strategy, the use of the CARD Program was substantially refined and expanded.

There was progress as well in the coordination with regional and state planning agencies. The 302 staff expanded the contacts established with staff at the Metropolitan Area Planning Council and the Governor's Development Office into working relationships to allow for continuing discussion of area-wide economic needs, opportunities, and coordination.

To achieve resources to implement the CEDS strategy, a closer linkage was established between CEDS and the CDBG resource allocation process. 302 efforts secured a major allocation from the FY'81 CD budget to support the activities of the Neighborhood Business Revitalization Program and the Targeted Industrial Revolving Loan Program.

The CEDS Planning Process was disrupted, however, by the exhaustion of EDA's resources early in the 1980 fiscal year and the continuing uncertainty about EDA's level of funding and programs in FY'81. The unknown status of EDA's resources has increased the difficulty of matching feasible projects with available resources and of formulating a multi-year investment strategy, an integral element of the CEDS process. The 302 staff has therefore had to direct substantial effort to refining the use of other tools, primarily UDAG and industrial revenue bonds, in the attempt to utilize alternate means for implementing the CEDS strategy.

II. SCOPE OF WORK ACCOMPLISHMENTS

The progress achieved in accomplishing the specific tasks identified in the work program is described below. The format follows that of the 302(a) application.

1. CEDS Coordination

a. CEDS Committee

The 302 staff has provided continuing staff support to the CEDS Committee, performing a variety of tasks to allow the CEDS Committee to successfully carry out its specified policy role of formulating Boston's Comprehensive Economic Development Strategy. The 302 staff has been responsible for convening the CEDS Committee, preparing agenda, providing the information, analysis, and recommendations necessary for decision-making by the CEDS Committee, and carrying out the Committee's directives. To facilitate the Committee's deliberations, the 302 staff prepared background information and assessments of the status of the financial assistance programs of EDA and UDAG and the status of the City's efforts to obtain Federal funds for the CEDS priority projects.

Responsible for the continuing CEDS planning process, the 302 staff prepared specific analyses of the City's economic needs, opportunities, and resources to assist the CEDS Committee's refinement of policies framing the City's economic development investment strategy and its linkage to other concurrent planning processes.

Staff also carried out the directives of the CEDS Committee to seek Federal funding for the City's priority projects and to provide technical assistance to the CDC priority projects. The latter entailed facilitating the efforts by these community organizations to obtain all necessary local, state, and federal approvals and funding, as well as ensuring compliance with the CEDS Committee's provisos designed to target economic benefits to the disadvantaged neighborhood residents.

b. CEDS Update

A variety of efforts have been undertaken to refine the CEDS strategies, programs, and projects, as well as the planning process itself, in the continuing process leading to an annual update of the CEDS investment strategy.

In response to the comments of EDA and the CEDS Committee, the 302 staff has directed considerable effort in the attempt to improve the CEDS planning process by establishing the framework for commercial and industrial development sector policies and project area investment strategies as the link between the CEDS goals and specific project development. In FY'80, substantial progress has been achieved in the development of policies for the office, hotel, retail, and cultural resource industries within the Central Business District. Analysis was completed in the areas of: the market's absorption capacity for new office and hotel development; the impact of theatre and the performing arts on Boston's economy; the job generation and tax benefits from hotel and office development; and the impact on the retail market of the first phase of public investment in the retail core.

Relative to industrial development, a preliminary investment strategy is being prepared for the Boston Marine Industrial Park. As the precursor to investment strategies for the City's other principal industrial areas, the future development potential of the Crosstown Industrial Park is being examined, private development criteria are being formulated for the Alsen-Mapes Industrial Park, and industrial revitalization strategy and implementation planning is underway for four target neighborhoods.

The CEDS project selection procedure has also undergone improvement aimed at more explicitly linking the priority projects to the CEDS strategy. A project is now evaluated according to the degree to which it is directly related to and furthers the CEDS goals, objectives, and investment strategies.

A major accomplishment this year was the successful incorporation into CEDS of community economic corporation project proposals. An effective process has been instituted, including the establishment of a permanent sub-committee of the CEDS Committee to evaluate these proposals and recommend priorities to the full Committee, a clearly stated set of criteria to be used in the review and evaluation, and the provision of technical assistance by the 302 staff to facilitate the implementation of priority projects. The CEDS staff provided staff assistance to this sub-committee in the establishment of this process and will continue in this capacity in an on-going basis.

c. CEDS Interagency Coordination

A major activity of the 302 staff this year has been to develop and implement improved coordination mechanisms for integrating the CEDS planning process and strategy with other concurrent planning processes at the local and state levels. Day to day contact is maintained with nearly a dozen City agencies and departments involved with economic development. There has been significant improvement in the coordination of CEDS with the following key planning process:

- (i) Manpower Planning - Regular interagency staff meetings between EEPA, the City's manpower agency, the Private Industry Council, the Economic Development and Industrial Corp (EDIC) and the Boston Redevelopment Authority (BRA) have been established to integrate manpower planning into all of the City's appropriate industrial and commercial development projects. In addition, the Chairman of the Private Industry Council has been invited by the Mayor to be a member of the CEDS Committee in order to coordinate manpower planning and economic development at the policy level.
- (ii) Air Quality Planning - A Steering Committee has been instituted, comprised of the Co-Chairmen of the CEDS Committee (representing the BRA and EDIC), the Boston Air Pollution Commission, and the City's Office of Budget and Management to formally link air pollution control planning with the City's economic development strategy.

(iii) Regional Transportation and Economic Development Planning -

As the result of the impact analyses by the CEDS staff of the proposed massive redevelopment of Boston's North Station area, pointing out the critical need for extensive inter-governmental coordination, mechanisms have been established to coordinate the emerging planning and investment strategy for this area with the economic development and transportation planning of the state, the Metropolitan Area Planning Council, the Massachusetts Bay Transportation Authority, the City of Cambridge, and the City of Somerville.

(iv) Neighborhood Economic Development Planning - The CEDS Committee has established a process to evaluate community development corporation project proposals within the context of the CEDS goals and objectives and the City's neighborhood investment strategy. Progress has been achieved using the CARD Program to integrate neighborhood planning goals, the CEDS goals and objectives, and the City's CDBG Program.

The continuing coordination with the Neighborhood Business Revitalization Program has improved its linkage to the CEDS strategy. Interagency coordination has also achieved resources for a number of CEDS economic development programs and priority projects. Interagency staff teams assembled to prepare UDAG applications for two CEDS priority projects: Teradyne, Inc. and Copley Place. The industrial Teradyne UDAG was awarded by HUD in July. The award for Copley Place is expected this quarter. In addition, the coordination of the CEDS planning process with the CDBG allocation process has obtained significant funding for the Neighborhood Business Revitalization Program and the Targeted Industrial Revolving Loan Fund.

Close linkage is also maintained with state and regional economic development agencies. The 302 staff has met with the Governor's Development Office (a 302 grantee) to provide input into the State's emerging economic development and growth policies and to facilitate the State's assistance to expand the OIC Manpower Training Center in Boston, a CEDS priority. In addition, a mechanism is being developed to coordinate the City's air quality planning with the State's air pollution control strategy.

Liaison with the Metropolitan Area Planning Commission (also a 302 grantee) has been expanded. The CEDS staff participated in MAPC's OEDP project selection process. The economic revitalization planning for the North Station Urban Renewal Project, a CEDS priority, is being closely coordinated with MAPC's long-term planning for the North Terminal Railroad Yard in Boston, Cambridge, and Somerville.

2. Program Development

a. Economic Development Resources, Tools, and Mechanisms

Matching economic development programs and projects with available resources is a key component of Boston's CEDS planning process. Identifying, updating, and refining the resources, tools, and mechanisms for economic development is a continuing 302 task. The CEDS staff has been in contact with numerous local, state, and federal agencies for up-to-date information of the available tools and resources for economic development.

This information has been incorporated into a newly-drafted Development Guide, prepared by 302 staff in conjunction with the Boston Chamber of Commerce, detailing the programs, procedures, eligibility, and other information needed by developers of commercial and industrial space in the City. This Development Guide evolved from the CEDS chapter depicting the range of available economic development tools and resources, and is intended to facilitate the private sector's participation in the economic development planning process.

New directions in Federal grant funds to Boston were analyzed to illustrate emerging trends and opportunities in Federal assistance. The 302 staff's preliminary assessment of HUD's Section 108 Program has shown the need for indepth analysis of the potential of this Program to assist industrial development in Boston. The refinement of techniques for more effective packaging of existing local, state, and federal resources to achieve the CEDS goals has also been undertaken, particularly in regard to the flexible UDAG program and the Massachusetts CARD program utilizing in-

dustrial revenue bonds for commercial development. To gain access to the massive resources of the local private sector, which for a variety of reasons has not been available to the City in the past, a concerted effort is underway to elicit major financial involvement by Boston's lending community. \$37 million in commitments from this sector were obtained by the City this year to support the activities of the Boston LDC's revolving loan fund.

b. Project Analysis and Evaluation of Economic Impact

The CEDS staff assessed the economic impact and feasibility of numerous development project proposals initiated by the City, the private sector, and community development corporations. Each project was analyzed to determine (1) its economic benefits in terms of new employment, tax revenue generated, and spin-off potential, (2) the project's relationship to the CEDS goals, objectives, and investment strategies, and, (3) realistic potential for implementation. These assessments indicated how the City can most effectively encourage the development or continued planning of those projects shown to be important elements of the economic development program strategies and the specific steps the City can take to facilitate implementation in terms of matching the projects with available resources, using tax incentives, marketing, or other supportive public actions.

Economic impact analyses were carried out this year by the 302 staff for the following major City planning initiatives: Theatre District, Charlestown Navy Yard, Columbia Point, Copley Place, North State Urban Renewal Project, South Station, Leather District, Fort Point Channel, Boston Marine Industrial Park, Crosstown Industrial Park, and Alsen-Mapes Industrial Park, among others. Numerous individual commercial and industrial development proposals city-wide outside of these specific areas were also similarly evaluated. These assessments are important elements in the decision-making process relative to the allocation and targeting of City resources and the link between the CEDS strategy and specific development opportunities.

c. Community Development Corporations

The 302(a) application for FY'80 articulated the need to assess the relationship of the City's economic development efforts with those of the CDC's. The accomplishment in this area this year exceeded the expectation in the scope of work. The 302 staff assisted the Co-Chairmen of the CEDS Committee in selecting a balanced Sub-Committee for CDC Projects from among the members of the full CEDS Committee. As indicated earlier, this subcommittee, with interagency staff assistance from the BRA, EDIC, Office of Governmental Relations and Office of Program Development, assessed the proper relationship between the overall City economic development strategy and the efforts of the CDC's, and established a procedure for relating the CDC ventures to the City's revitalization program. The subcommittee evaluated over twenty CDC development proposals and selected two priority projects for FY'80: IBA's (Hispanic) Plaza Betances commercial development and the Chinese Economic Development Council's office/retail proposal for the Boylston Building. The full CEDS Committee endorsed these subcommittee recommendations and the procedure established.

It is significant that the CEDS evaluation and prioritization of the CDC proposals has been incorporated by the City as a major element in the selection of neighborhood projects for funding from non-EDA sources, specifically, HUD's Neighborhood Self-Help Program and UMTA/TA funds from the South West Corridor project.

The CEDS staff provides technical assistance on a continuing basis as needed to facilitate the implementation of the CDC projects awarded CEDS priority status and to advance other meritorious commercial and industrial CDC proposals to the priority stage. In addition, staff has worked with the State's technical assistance and resource allocation agencies for CDC's (Community Economic Development Assistance Corporation and Community Development Finance Corp., respectively) to assist in the overall development planning and implementation strategy guidelines and mechanisms appropriate for CDC's.

d. CARD Program

The 302 planning grant has enabled the BRA to refine the use of the State's Commercial Area Revitalization District (CARD) Program to more effectively coordinate this mechanism with the CEDS planning process. The CARD program is an especially valuable tool because it explicitly integrates planning and implementation by tying the use of industrial revenue bonds for commercial projects to revitalization area planning. As such, CARD has the potential to become a key element of the CEDS strategy. In the neighborhood commercial areas, CARD is becoming an important linkage between the City's investment strategy and the neighborhood's planning and development activities. In the downtown, since CARD plans will affect the real estate market, CARD can be instrumental as a CEDS strategy tool.

The BRA, the agency responsible for CARD plans in Boston, implemented twelve CARD districts this past year, with an additional eleven in various stages of planning. The CEDS staff assessed the overall planning and development implications of this program and instituted improved project review criteria to ensure that projects receiving IRB financing will further the planning and policy objectives of the City.

e. Other Economic Development Programs

Interagency staff efforts were carried out under the 302 program to refine and expand program elements of the Comprehensive Economic Development Strategy. The scope of the industrial site inventory and evaluation was expanded city-wide. Six Boston neighborhoods were inventoried under this program this year, and plans laid for a city-wide effort. The Neighborhood Business Revitalization Program is now more closely coordinated with the City's industrial retention/attraction strategy and the financial assistance programs of the Boston Local Development Corporation.

3. Policy Formulation

As specified in this work item, the formulation of new policies, from a very broad perspective, for guiding the future reshaping of the City's economy has been begun. The 302 staff has developed background data, discussion papers, and proposed alternative strategies for beginning to explore future prospects for Boston's long-range economic growth. Two white papers were prepared, entitled: Planning for Boston's Next Decade of Development, 1980- 1990 and Boston's Economic Transformation -- Recent Patterns and Future Perspectives. In addition, an interagency staff team has formulated a series of issues, questions, and potential strategies to be incorporated into a seminar series being sponsored by the Boston 2000 Steering Committee. These long-range discussions will be valuable in the continuing refinement of the CEDS Strategy.

III. LONG-TERM OBJECTIVES

The goal of the CEDS planning process, as indicated in the 302 application for FY'80, is to define the policies and implementation means for encouraging economic growth to benefit the City and its residents. With the continuing objective of the planning process being the continued refinement and development of specific policies framing the City's economic development strategy that are linked to an overall investment strategy and coordinated with other concurrent planning processes. The experience of the second year of 302 funding has shown this overall goal and objective remain valid.

The program objectives for the 302 scope of work for FY'80 were realistic and were achieved to a great extent. The one area of the planning process in which progress was not achieved according to the objectives at the beginning of the grant year, was the formulation of a multi-year investment strategy and implementation agreement with EDA. These were not pursued due to the exhaustion of EDA's resources early in the 1980 fiscal year and the continuing uncertainty about EDA's status in FY'81 relative to both available programs and level of funding. With no definite reconciliation of EDA's proposed legislation in sight at this time, the 302 staff intends to formulate a draft implementation agreement this August to deal with both possibilities, a continuing EDA resolution or the proposed new legislation.

The experience this year has demonstrated the need to develop further the policies and strategies linking the CEDS goals and objectives with the economic development programs and projects. A major objective of the 302 (a) grant application for FY'81 will be to formulate development policies for commercial and industrial sectors and investment strategies for priority project areas.

Boston's continuing fiscal austerity measures and extremely limited local resources resulting from archaic state tax and fiscal policy has shown the need for increased inter-agency pooling of staff to be able to respond to the complex economic problems and solutions involved in the CEDS planning process. There is also the need to greatly expand the link to the private sector to make available its resources in the implementation of the CEDS strategy. Both of these needs will comprise important work elements in FY'81.

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